

VZCZCXYZ5814
OO RUEHWEB

DE RUEHML #0548 0640956
ZNR UUUUU ZZH
O 040956Z MAR 08
FM AMEMBASSY MANILA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9985
INFO RULSDMK/DEPT OF TRANSPORTATION WASHDC IMMEDIATE
RUEANHA/FAA WASHDC IMMEDIATE
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 3492
RUEHZU/APEC COLLECTIVE IMMEDIATE

UNCLAS MANILA 000548

SIPDIS

STATE FOR EAP/MTS AND EB/TRA/OTP
TOKYO FOR FAA

SENSITIVE, SIPDIS

E.O. 12958: N/A
TAGS: [EAIR](#) [ECON](#) [RP](#)
SUBJECT: Civil Aviation Authority of the Philippines

REF: Manila 202

¶1. (SBU) Philippine President Gloria Macapagal-Arroyo signed into law on March 4 a bill creating the Civil Aviation Authority of the Philippines (CAAP). This is the first bill passed by the 14th Congress, reflecting the importance the Arroyo Administration attaches to improving civil aviation safety oversight and regaining a good safety rating (reftel). However, there has been no decision on who will head the new agency or on hiring consultants to assist in regaining Category 1. Embassy representatives joined lawmakers, industry, and aviation officials attending the signing ceremony and urged further prompt remedial action.

¶2. (SBU) The Federal Aviation Administration officially downgraded Philippine civil aviation oversight in January 2008 from Category 1 to Category 2 due to its failure to implement safety standards set by the International Civil Aviation Organization, as reported reftel. The creation of a CAAP is a significant step forward towards improving oversight since it has many powers that the old Air Transportation Office lacked and such can retain airport fees and pay higher salaries to its employees.

¶3. (SBU) During the signing ceremony, President Arroyo said that implementing rules and regulations for the CAAP would be completed in one month and it would officially take over the oversight function in May. She added that the Philippines could invite the Federal Aviation Administration to re-examine the safety situation as early as June.

¶4. (SBU) No announcement was made of who would head the CAAP, and there were different views among the attendees on the procedures and timing of such an appointment. There were also different views on the hiring of a consultant to assist with the process of regaining a good safety rating. Some officials told us that the yet unidentified head of the CAAP would make the decision on which consultant to hire.

¶5. (SBU) We urged officials to move forward as quickly as possible with their decision on hiring a consultant and urged airline and industry representatives to work together in assisting in drafting proposed implementing rules and regulations for the CAAP.

KENNEY